

**Welcome!**

**State Leadership Accountability Act (SLAA)  
2017**

**The California Department of Finance**

# Agenda

- 2015 Summary
- Report Reviews
- Ongoing Monitoring
- Managing Risks



# Goals of SLAA

- Process Improvement
- Increased Effectiveness
- Improved Efficiency



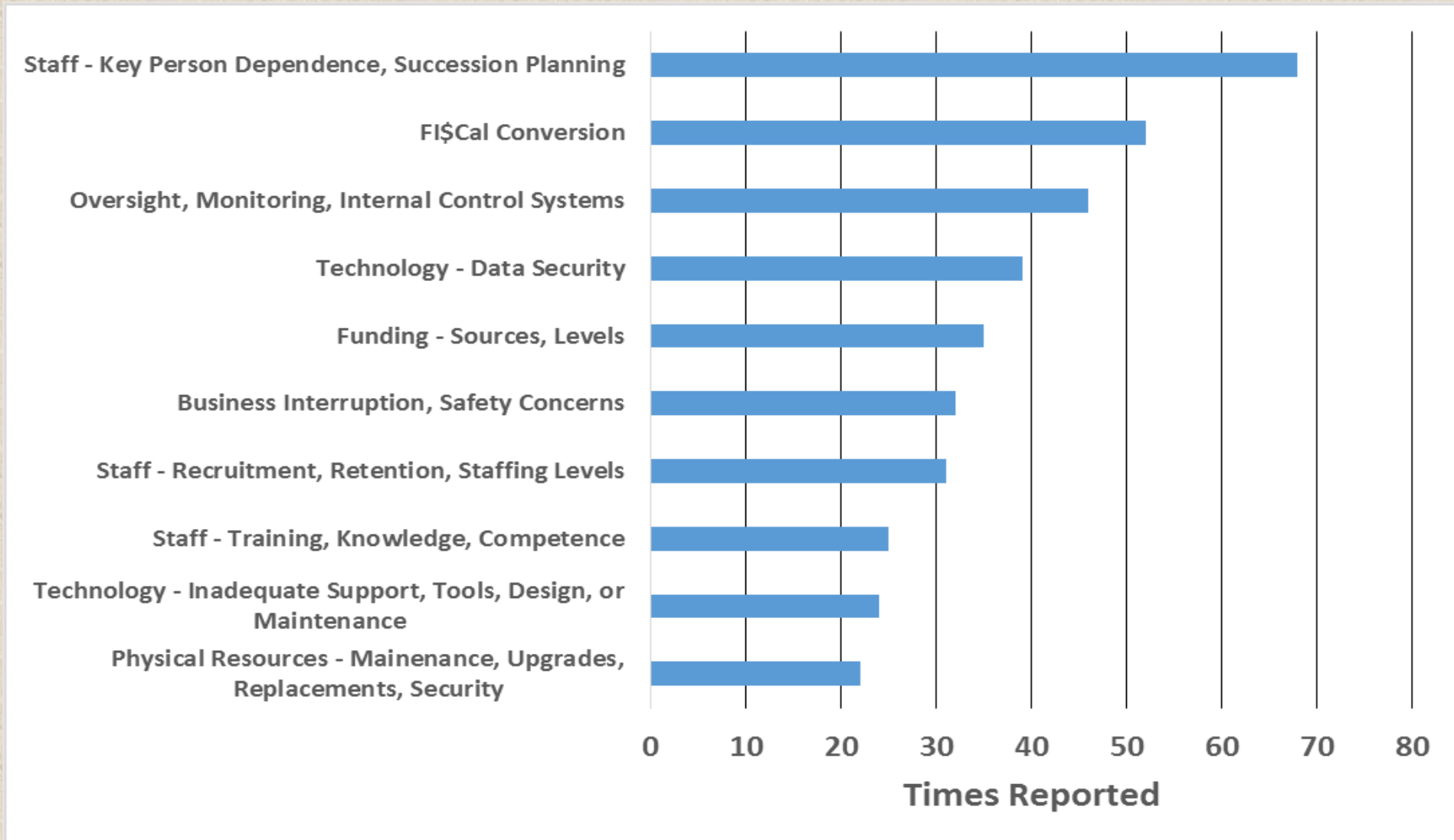


# 2015 Summary

- Launch of Web Portal and Standardized Risk Categories
- 111 Reports Received
- 593 Risks Reported



# Top 10 Risks 2015



# 2017 Enhancements

Ongoing Monitoring	Risk Assessment Process	Risks and Controls	Implementation Plans	Other
Executive Monitoring Sponsor	Involvement Selection	Risk Description	Progress Made/Not Made	Redefined Risk Catalog
Clarity of Text Fields	Clarity of Text Fields	Risk Acceptance	Control Acceptance	Rearranged Report Order
Implementation and Documentation Questions		Control Implementation Questions	What's Next Text Field	Past Reports and Plans

# Report Review Process

- Reason for Review
- Review Criteria
- Common Areas of Concern





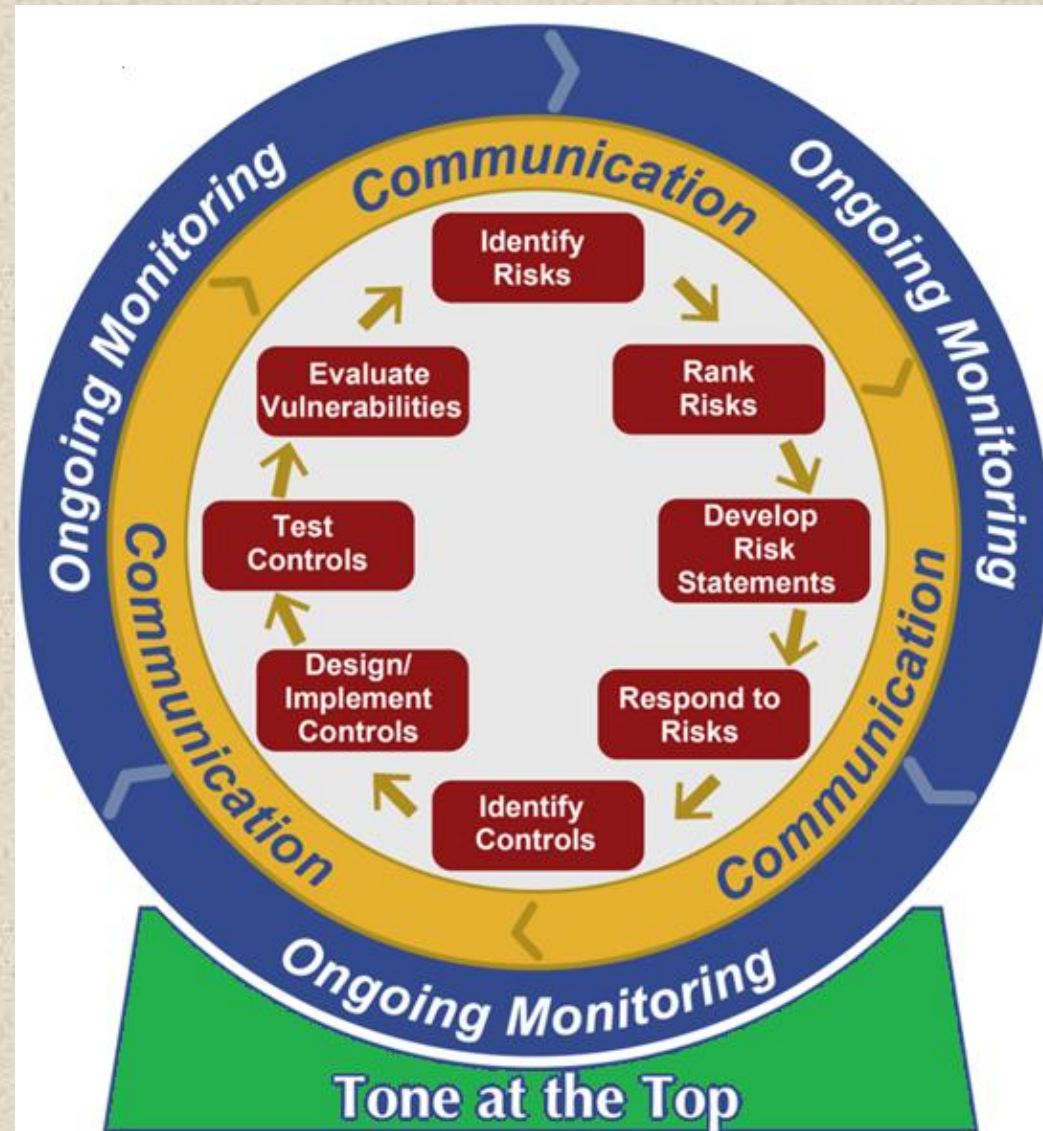
# Basic Requirements of SLAA

- Monitoring and Evaluation of Internal Control System
- Biennial Report
- Implementation Plans





# Risk Management Process



# Tone at the Top

- Supporting the Process
  - Commitment
  - Collaboration
- Communication
  - Open and honest



# Ongoing Monitoring

- Why?
- How?
- Implementation Challenges





# Internal Communication

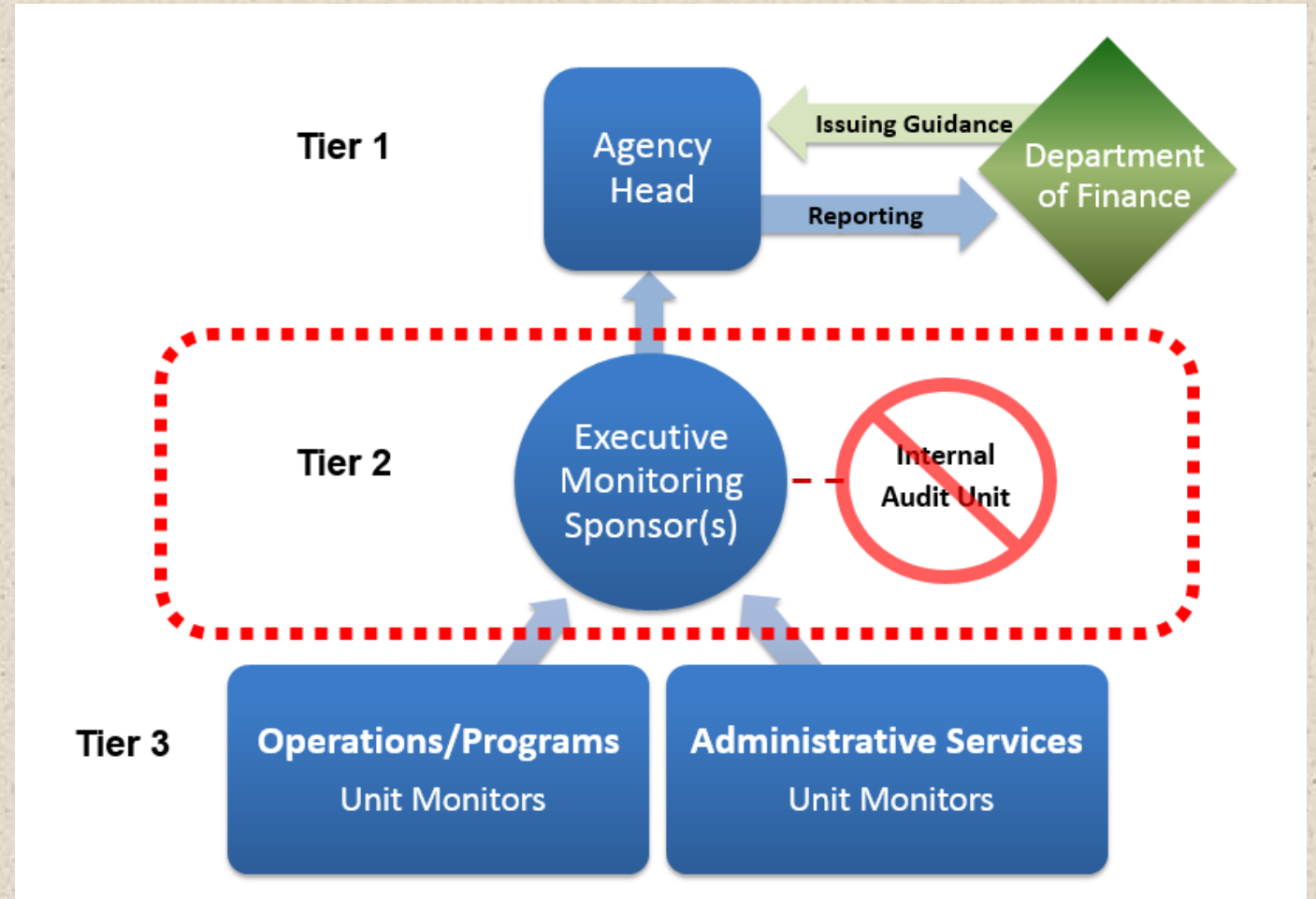
- Vital to success of monitoring
- Identify and address issues early





# Executive Monitoring Sponsor

- Why this role is important
- Key Facilitator
- Key Communicator





## SLAA Report

[SLAA Home](#)[Contact Information](#)[SLAA Reports](#)[Implementation Plans](#)[Past Reports and Plans](#)[Introduction](#) [Monitoring](#) [Risk Assessment](#) [Risks and Controls](#) [Submission](#)

## ONGOING MONITORING

Refer to [California Government Code sections 13400-13407](#) and the California Department of Finance [Ongoing Monitoring General Framework and Guidelines](#).

As the head of Department of Examples, John Doe, Director, is responsible for the overall establishment and maintenance of the internal control and monitoring systems.

**Executive Monitoring Sponsor(s)**

The designated agency monitor responsibilities include facilitating and verifying that the Department of Examples internal control monitoring practices are implemented and functioning as intended. The responsibilities as the executive monitoring sponsor(s) have been given to: (no executive monitoring sponsor(s) ).

[Contact List](#)

- ☐ John Doe, Director
- ☒ Joe Smith, Deputy Director

[Save](#)

# Importance of a Quality Risk Assessment

- Benefits
- Involvement
- Sources



# Rank Risks

- Likelihood
- Impact
- Velocity







## SLAA Report

[SLAA Home](#)[Contact Information](#)[SLAA Reports](#)[Implementation Plans](#)[Past Reports and Plans](#)[Introduction](#) [Monitoring](#) [Risk Assessment](#) [Risks and Controls](#) [Submission](#)

## RISK ASSESSMENT PROCESS

The risk assessment process explains an entity's process for identifying reported risks. Management assesses the risks the entity faces from both external and internal sources as it seeks to achieve its objectives. This assessment provides the basis for developing appropriate risk responses.

**Involvement**

**Select all that apply.** The following personnel were involved in the Department of Examples risk assessment process:

- ☐ Executive Management ☐ Middle Management ☐ Front Line Management ☐ Staff

**Risk Identification**

Describe the methods and procedures used to identify the risks affecting your entity's objectives.

Must include:

- Methods and procedures used (e.g., surveys, questionnaires, meetings, committees, interviews, brainstorming sessions)
- Consideration of prior and emerging risks, single audit findings, and changing factors facing the entity

**Risk Ranking**

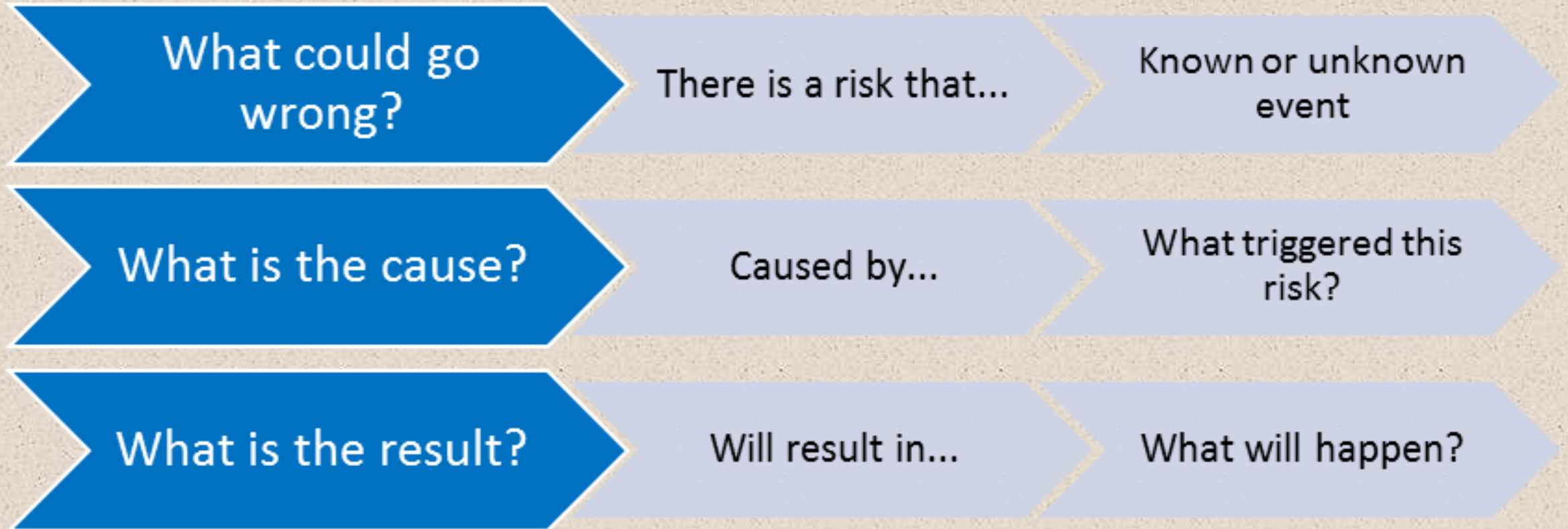
Describe the process your entity used to rank the identified risks.

Must include:

- Methods and procedures used
- Consideration of factors such as likelihood and impact



# Develop Risk Statements





## Risk Description

Describe your entity's risk below in the risk statement format. Provide information necessary to understand the risk. Risk statements include three elements:

### What could go wrong?

Must include:

- The specific risk facing your entity.

### What is the cause?

Must include:

- Explain why the risk has occurred or can occur.

### What is the result?

Must include:

- Explain what can happen due to the risk occurring.



[Click here to preview the risk description.](#)



# Respond to Risks

Accept

- Does the likelihood and impact of the risk fall within the organization's risk tolerance level?

Avoid

- Is the activity causing the risk required?

Manage

- Can the risk be reduced?

Share

- Can the risk be transferred or shared?



# Controls

The activities to reduce either the impact or likelihood of a risk

- Importance of testing
- Accepting a control





## Control B



**Describe the control designed to help mitigate the risk.**

Must include:

- Description of the activity
- How the activity reduces the risk

**Has this control been put into practice?**

☐ Yes ☐ Partially ☒ No

**Is this control reducing the risk as expected?**

☐ Yes ☐ Partially ☒ No



## Risk Acceptance

Management accepts this risk in its current state of variation in performance relative to the achievement of their objectives because: (1) the entity has taken all reasonable steps to mitigate this risk, (2) further mitigation of this risk is too costly to put into effect, or (3) other entity specific reasons.

☐ Yes ☒ No

Add New Control



### Control A Progress — June 30, 2017

Has progress been made towards putting this control into place or reducing the risk?

☒ Yes ☐ No

### Update With Progress - June 30, 2017

Provide an update for the progress made within the last six months.

If update with progress, must include:

- Events that occurred to advance the progress of the activity over the last six months
- Changes or challenges that may have occurred

If update without progress, must include:

- Reason(s) why progress wasn't made
- Events that occurred limiting or restricting progress

Contact Person(s):

Has this control been put into practice? ☐ Yes ☐ Partially ☒ No

Is this control reducing the risk as expected? ☐ Yes ☐ Partially ☒ No

Check the following box ONLY if management accepts this control in its current state because: (1) it is an ongoing activity, (2) resources are redirected or unavailable, or (3) it no longer mitigates this risk. ☐

What activities and accomplishments are anticipated for the next six months?

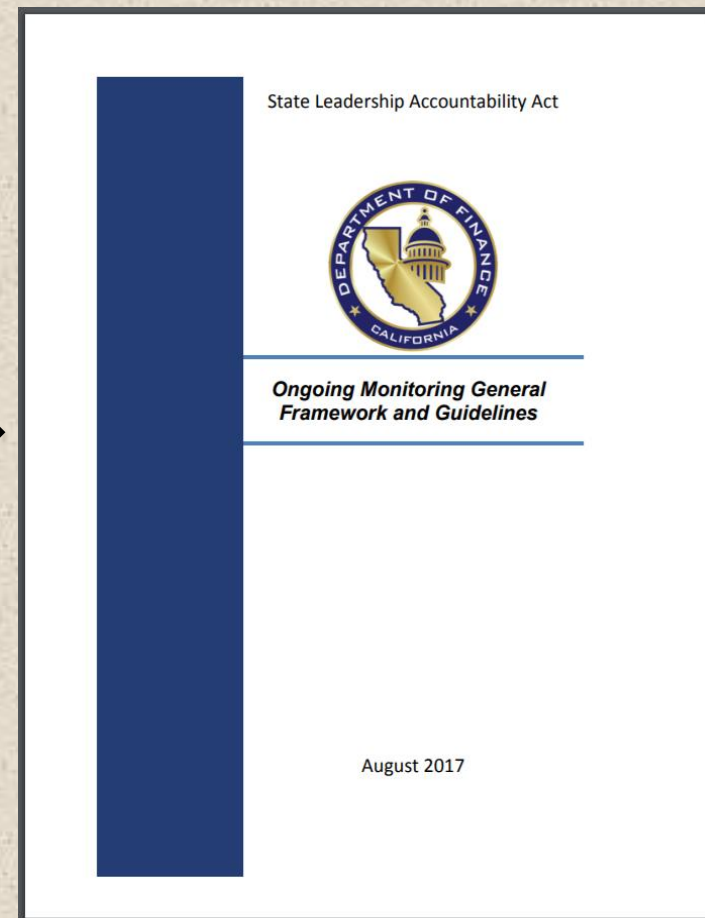
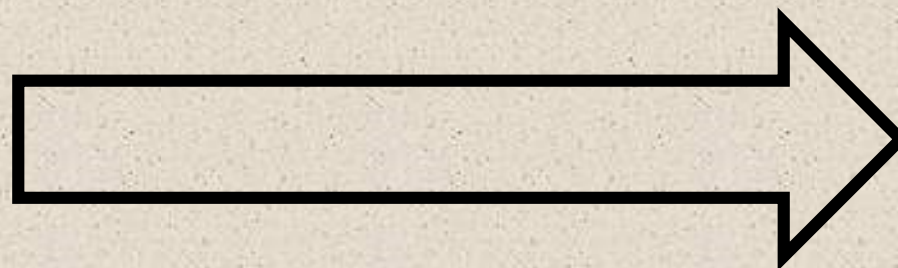
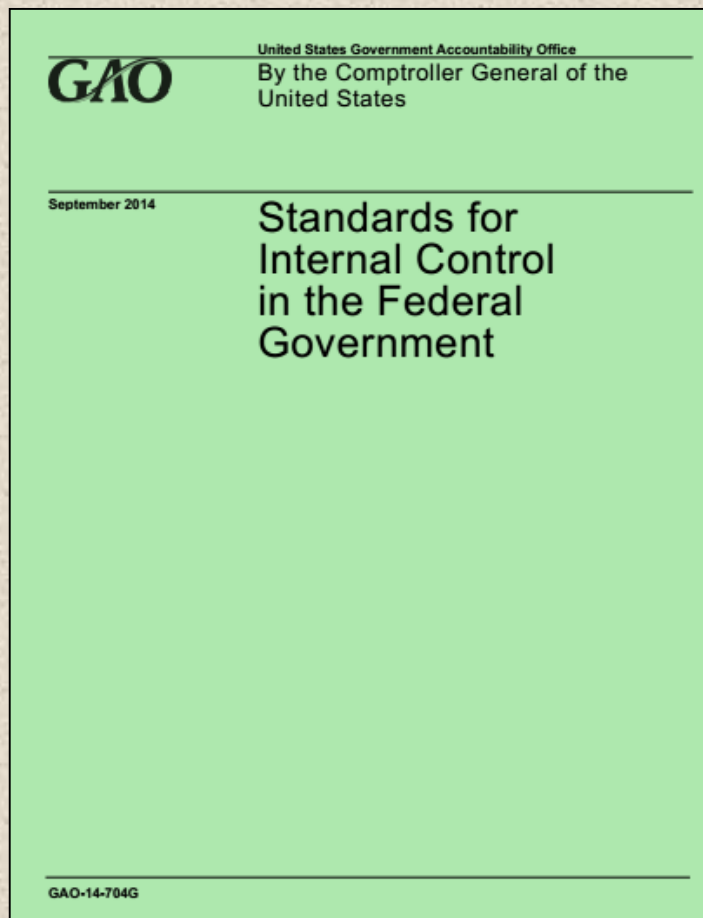
Must include:

- Plans to further develop activities in the next six months

Next Milestone:



# Alignment of Green Book and SLAA





# Next Steps

- Reporting Process
- Implementation Plans
- Updating Contacts





Contact Information

SLAA Home	Contact Information	SLAA Reports	Implementation Plans	Past Reports and Plans
-----------	---------------------	--------------	----------------------	------------------------

Department of Examples

123 Example Way, Suite 789  
Sacramento, CA 95814

Edit

Agency Head

John Doe  
Director  
(916) 555-5555  
John.Doe@example.ca.gov

Edit

Primary Contact

Joe Smith  
Deputy Director  
(916) 555-5432  
Joe.Smith@example.ca.gov

Edit Delete

Additional Resources with Portal Access

Name	Job Title	Work Phone Number	Work E-mail	Role	Updates
------	-----------	-------------------	-------------	------	---------

Add Contact

# Reminders

- Allow time for internal reviews and vacations
- Submissions only by Agency Head and Primary Contact
- Implementation Plan available after report submission





# Resources

- <http://dof.ca.gov/Programs/Osae/SLAA/>
  - Tools
  - Templates
- [www.library.ca.gov/slaa](http://www.library.ca.gov/slaa)
- [SLAAHotline@dof.ca.gov](mailto:SLAAHotline@dof.ca.gov)
- Training by request

